

The American Consumer Institute

March 3, 2006

VIA ELECTRONIC FILING

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**RE: Notice of *Ex Parte* Communications in the matter of
Implementation of Section 621 (a)(1) of the Cable Communications
Policy Act of 1984 as Amended by the Cable Television Consumer
Protection and Competition Act of 1992, MB Docket No. 05-311**

On February 10, 2006, the American Consumer Institute (“the Institute”) filed comments with the FCC in the response to FCC’s *Notice of Proposed Rulemaking* in MB Docket No. 05-311. On March 2, 2006, the Institute announced the release of its latest study “Does Cable Competition Really Work? A Survey of Cable TV Subscribers in Texas.” Because the Institute believes the findings of this study supplement our comments filed on February 10, 2006, we are attaching the study and filing this notice of *ex parte* communication.

Our survey asked consumers living in newly competitive cable markets about their experiences with competition. The results show that the benefits of cable competition can come quickly and be significant. This means that public policies that encourage market entry can bring quick and meaningful benefits to consumers. The highlights of the results include:

- In less than six months, the new competitor had captured nearly 20% of market share, indicating that consumers want more choice;
- Most consumers were aware of the new competitor, and one in six consumers reported saving money as a direct result of competition, saving on average \$22.30 per month;
- Some consumers stayed with their incumbent provider and reported to have saved, on average, \$26.83 per month off their average cable TV bill, as a direct result of competition; and
- Wireline competition expands the total size of the cable TV and video market – meaning that competition should not adversely affect the

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local franchising fees that local governments collect from wireline providers and use to support public access channels and other community services.

The American Consumer Institute is an independent organization founded in 2005. The Institute's mission is to identify, analyze and project the interests of consumers in selected legislative and rulemaking proceedings in information technology, health care, commerce and other matters. The latest study represents a volunteer effort and was not paid for by any organization, corporation, union or other party connected to this proceeding.

If you have any question about the study, please feel free to contact me at (703) 471-3954.

Sincerely,



Stephen B. Pociask
President
American Consumer Institute

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ATTACHMENT